



STATE OF NEW HAMPSHIRE
Department of Transportation

ANNUAL REPORT
With Respect to
TURNPIKE SYSTEM REVENUE BONDS

February 23, 2015

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This Annual Report dated February 23, 2015 (the “Annual Report”) of the State of New Hampshire (the “State”) is prepared and submitted in accordance with the requirements of the Continuing Disclosure Certificates dated August 24, 2006, December 1, 2009, January 5, 2012, August 30, 2012 and November 5, 2012 (collectively, the “Continuing Disclosure Certificates”) executed by the State for the benefit of the owners of the \$39,425,000 State of New Hampshire Turnpike System Revenue Bonds, 2006 Refunding Series, the \$217,215,000 State of New Hampshire Turnpike System Revenue Bonds, 2009 Series A (Federally Taxable – Build America Bonds – Direct Payment), 2009 Refunding Series B, the \$42,115,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Refunding Series (Delayed Delivery), the \$110,180,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Series C and the \$65,355,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Refunding Series B (Delayed Delivery) (collectively, the “Bonds”). The State’s audited financial statements pertaining to its Turnpike System for the fiscal year ended June 30, 2014, prepared in accordance with generally accepted accounting principles, were filed with the Municipal Securities Rulemaking Board (MSRB) on December 30, 2014 (the “Financial Statements”) and were included in the State’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014 (the “CAFR”). The CAFR was filed with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system on January 7, 2015. The Financial Statements are incorporated herein by reference.

Questions about this report or the need for additional information may be directed to Leonard L. Russell, CPA at the State of New Hampshire Department of Transportation at 603.271.3466.

Annual Report

This Annual Report is submitted pursuant to the Continuing Disclosure Certificates and updates certain information contained in the State’s most recent Official Statement pertaining to the Bonds dated November 1, 2012 (the “Official Statement”), which contains certain information pertaining to the State’s Turnpike System. This Annual Report does not constitute an offer to sell or the solicitation of an offer to buy the Bonds.

Pursuant to the Continuing Disclosure Certificates, the State hereby updates the information requested in Section 4, “Content of Annual Reports,” of the Continuing Disclosure Certificates as follows (the headings and page numbers refer to the applicable portions of the Official Statement):

- THE TURNPIKE SYSTEM – General Description, with respect to the first paragraph on pages 26 and 27:

General Description

The Turnpike System presently consists of 89 miles of limited access highway, 36 miles of which are part of the U.S. Interstate Highway System. The Turnpike System comprises a total of approximately 655 total lane miles, 170 bridges, 49 interchanges, and 24 facilities. Since beginning operations in 1950, the Turnpike System has contributed to the development of the New Hampshire economy. It has also been a major factor in the growth of the tourist industry in the State. The Turnpike System consists of three limited access highways: the Blue Star Turnpike (I-95) and the Spaulding Turnpike, (which are collectively referred to as the Eastern Turnpike), and the Central Turnpike. The Turnpike System primarily serves the major cities located in the central and eastern sections of southern New Hampshire. See *State Demographic and Economic Statistics* in Appendix A for a general description of the State and its economy, including population, economic activity, employment, personal income, state and local taxation, housing, education, utilities, banking and transportation.

- THE TURNPIKE SYSTEM – Maintenance of the Turnpike System, with respect to the table captioned “Renewal and Replacement” on page 32:
 - See Attachment A.
- THE TURNPIKE SYSTEM – Toll Rates, with respect to the table captioned “Turnpike System Toll Rate Schedule” on page 44:
 - There have been no changes to the Turnpike System Toll Rate Schedule.
- THE TURNPIKE SYSTEM – Turnpike System – Historical Revenues and Expenditures, with respect to the table captioned “Statement of Revenues, Expenses and Changes in Net Position” on page 45:
 - See Attachment B.

- THE TURNPIKE SYSTEM – Management Discussion of Historical Revenues and Expenditures (only with respect to the preceding fiscal year) on pages 46 and 47:

Fiscal Year 2014

Gross Revenue available for operating expenses, debt service, reserves and improvement projects totaled \$122.5 million in fiscal year 2014. This represents approximately a 1.2% increase over fiscal year 2013. The 2014 revenues include:

<u>Description</u>	<u>(Amounts in thousands)</u>
Total Operating Revenue	\$119,325
Investment Income	78
BABS Subsidy	2,913
Miscellaneous Income	<u>199</u>
Gross Revenue	\$122,515

Total Operating Revenue realized modest gains and increased by \$1.5 million or 1.3% to \$119.3 million over prior year. The slight increase was due primarily to increased toll revenue from E-ZPass customers. During the twelve months ended on June 30, 2014, the number of traffic transactions processed through the E-ZPass program was 70.5% of total transactions. The Hampton and Hooksett Open Road Tolling (ORT) plazas continue to lead the growth on the System reflecting a 2.7% and 4.0% increase, respectively, in E-ZPass utilization over the previous year. The System overall in fiscal year 2014, experienced an increase in traffic transactions of 3.2 million or 3.0% over fiscal year 2013.

Total Operating Expenses increased by \$4.7 million or 6.6% to \$74.7 million over the prior year. The primary increases in 2014 over the prior fiscal year were Renewal & Replacement costs, up \$3.1 million and Depreciation and Amortization up \$1.3 million. The increase in Renewal & Replacement costs is due to multi-year contractual obligations and available balances carried forward from prior years.

Total Non-Operating Expenses decreased approximately \$4.5 million or 26.4% to \$12.5 million. The primary decrease was the result of a reduction of \$2.1 million in interest expense on bonds and the subordinated note relating to the acquisition of a portion of I-95 (see “*The Turnpike System – Eastern Turnpike – I-95 Acquisition*”).

Renewal and Replacement Operating Expenses for fiscal years 2014 and 2013 were \$9.4 million and \$6.3 million respectively. Renewal & Replacement capitalized expenses for fiscal years 2014 and 2013 were \$1.8 million and \$3.3 million respectively. For fiscal year 2015, the budget is \$8.9 million. Appropriations for Renewal & Replacement expenditures do not lapse and are carried forward and made available in subsequent years.

Fiscal Year 2014 Status of Capital Fixed Assets

Capital Improvement Program Net Capital Assets increased by \$32.6 million or 3.8% over the prior year to \$890.5 million. Infrastructure increased by \$39.6 million or 4.7% to \$890.7 million primarily from the Hooksett Open Road Tolling project and a bridge replacement project on Route 3 in Bedford.

Fiscal Year 2014 Summary of Liabilities and Debt Service

Total Liabilities decreased by \$38.1 million or 7.5% to \$472.2 million. Current Liabilities increased by \$9.9 million or 18.8% to \$62.9 million primarily due to the increase in Revenue Bonds Payable and Note Payable to State Highway Fund. The payment terms of the Note Payable to State Highway Fund were changed in fiscal year 2014 accelerating payments. For fiscal year 2014, the note payment to the State Highway Fund was \$15 million.

Current Liabilities consist primarily of accrued operating expenses, unearned revenue, and the current portion of revenue bonds and note payable. The increase in Current Liabilities of \$9.9 million or 18.8% to \$62.9 million in fiscal year 2014 is primarily due to the increase of \$8.9 million in Note Payable to State Highway Fund and \$5.3 million in Revenue Bonds Payable. The increase in Note Payable to State Highway Fund is the result of changes in the payment terms as agreed upon in July 2013 between the Department's Commissioner and the State Treasurer. The increase of Due to Other Funds was the result of reimbursement to the State Highway Fund for federal match dollars and highway personnel labor and benefit costs incurred for Turnpike projects. Accounts Payable decreased by \$4.5 million due to timely payment of construction expenses prior to year end to maximize Turnpike toll credits available for federal participating projects in the State Highway Fund.

Non-current Liabilities decreased by \$48.1 million or 10.5% to \$409.3 million due to the reclassification of \$44.4 million of principal payments on the bonds and note from non-current to current and the restatement of the fiscal year 2013 Loss on Refunding of \$3.7 million to Deferred Outflows of Resources in fiscal year 2014.

Restricted assets at fair market value are segregated into the following accounts as of June 30, 2014:

(Amounts in thousands)

Restricted Cash, Cash Equivalents and Investment Accounts	2014	2013
Revenue Bond Debt Service Reserve Account	\$8,834	\$38,827
Revenue Bond Debt Service Reserve Account (Investment)	29,989	0
Revenue Bond Cash Construction Account (Investment)	0	18,734
Revenue Bond Cash Construction Account	0	17,322
Revenue Bond Principal Debt Service Account	11,164	7,960
Revenue Bond Interest Debt Service Account	5,748	5,933
Revenue Bond Insurance Reserve Account (Investment)	3,001	3,005
Total Restricted Assets	\$58,736	\$91,781

The amounts shown above are invested in permitted investments in accordance with the Bond Resolution.

There was no change in the **Turnpike System Bond ratings** during fiscal year 2014. The current ratings assigned to the Bonds by Fitch Ratings, Inc., Moody's Investors Services, Inc., and Standard & Poor's are "A+" (outlook: stable), "A1" (outlook: stable) and "A+" (outlook: stable), respectively.

- **TURNPIKE SYSTEM INDEBTEDNESS**, with respect to the table captioned "Turnpike System Debt Service" on page 55:
 - There have been no changes to the Turnpike System Debt Service Schedule.

- **CAPITAL IMPROVEMENT PROGRAM**, with respect to the table captioned "Project Descriptions" on pages 58-60:
 - There have been additional projects approved as part of the State's Ten Year Transportation Improvement Plan 2015-2024, and these projects have been added to the Capital Improvement Program on the Turnpike System. These additional projects total \$104.6 million and have been added to the Project Descriptions Schedule. The Project Descriptions Schedule contains other minor adjustments to the estimated cost and completion dates of several previously reported projects. See Attachment C.

- **CAPITAL IMPROVEMENT PROGRAM**, with respect to the table captioned "Capital Improvement Program Expenditures" on page 61:
 - See Attachment D.

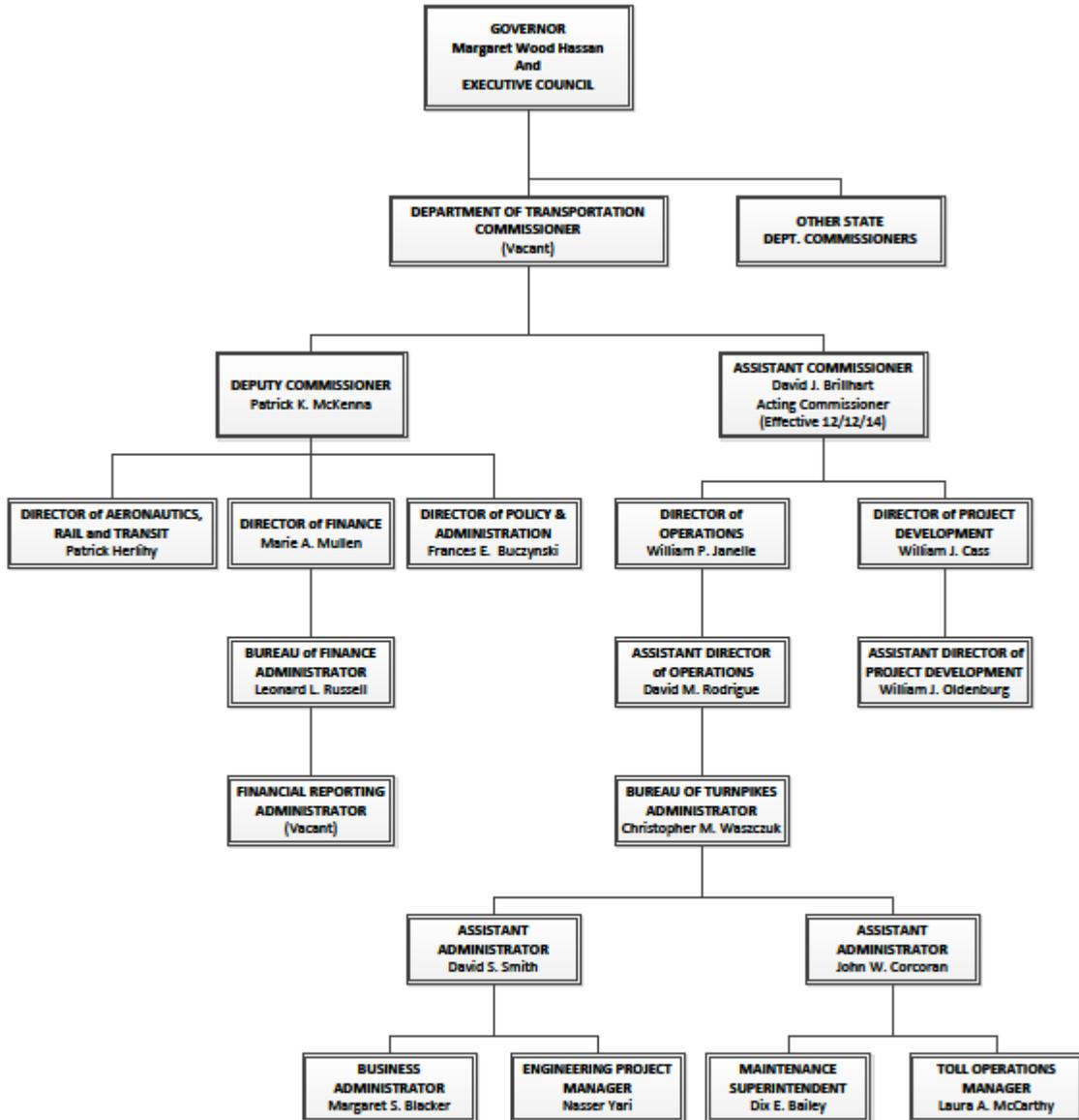
Fiscal Year 2014 Financial Statements

- A Turnpike System management letter is expected to be released by the auditors in March 2015. The State will file the management letter with the MSRB through its EMMA system service when it is publicly available. No adverse or material observations are anticipated.

See Appendix A for New Hampshire economic activity.

See Appendix B for Other Supplemental Information.

The following chart shows the organization of State government relating to the Turnpike System:



This Annual Report has been executed and delivered on behalf of the State pursuant to the Continuing Disclosure Certificates.

STATE OF NEW HAMPSHIRE

By: _____
Jeff Brillhart, P.E.
Acting Commissioner
Department of Transportation

RENEWAL AND REPLACEMENT COSTS
Fiscal Years 2000 through 2016
GAAP Basis and Budget
(Amount in thousands)

<u>Fiscal Year</u>	<u>Amount</u>
2000	\$4,112
2001	5,928
2002	5,724
2003	7,058
2004	4,973
2005	3,114
2006	4,567
2007	8,552
2008	11,842
2009	7,805
2010	7,793
2011	14,309
2012	9,320
2013	9,628*
2014	11,279*
2015	11,539**
2016	9,700***

*Beginning in 2013, Renewal and Replacement Costs are capitalized, if appropriate, per Generally Accepted Accounting Principles (GAAP). For fiscal year 2014, approximately \$9.4 million was expensed and \$1.8 million was capitalized.

**Fiscal year 2015 includes the authorized budget amount of \$8.9 million plus a carryover from fiscal year 2014 of \$2.639 million.

***Recommended by HNTB Renewal and Replacement Assessment January 12, 2012; and the proposed State Appropriation Budget.

Turnpike System-Historical Revenues and Expenditures

The Turnpike System is part of the State primary government and is accounted for as an enterprise fund of the State. The financial information below is derived from audited financial statements of the Turnpike System.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION New Hampshire Turnpike System (Amount in thousands) For the Fiscal Years ended June 30

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Operating Revenues</u>					
Tolls and Other Operating Revenue	\$119,325	\$117,819	\$119,939	\$118,688	\$118,403
<u>Operating Expenses</u>					
Personnel Services	9,703	10,016	10,495	11,438	11,352
Payroll Benefits	6,101	6,596	5,531	5,611	5,464
Enforcement	5,843	5,539	4,890	4,926	5,025
Renewal & Replacement ¹	9,430	6,368	9,320	14,309	7,793
Supplies, Materials and Other	2,918	3,051	3,423	3,861	3,545
Equipment and Repairs	4,408	4,608	3,659	3,261	2,667
Indirect Costs	2,571	2,729	2,521	2,058	2,010
Heat, Light, and Power	1,266	1,275	1,269	1,317	1,215
Bank and Credit Card Fees	2,225	2,101	2,226	2,293	2,037
Rentals	956	776	589	1,013	771
E-ZPass Processing Fees	5,876	5,010	5,252	5,771	5,259
Transponder Expense	602	512	798	790	769
Depreciation and Amortization	22,832	21,491	23,016	21,004	15,970
Total Operating Expenses	74,731	70,072	72,989	77,652	63,877
<i>Operating Income</i>	44,594	47,747	46,950	41,036	54,526
<u>Non-Operating Revenues (Expenses)</u>					
Investment Income	78	98	130	164	2,108
Miscellaneous Income	3,112	3,195	3,420	3,589	194
Intra-entity Acquisition of Land and Bridge from Highway Fund (for Notes Payable)	0	0	0	0	(116,566)
Intra-entity Acquisition of Land and Improvements from Another State Agency	0	0	0	(2,082)	(6,222)
Loss on Sale of Other Capital Assets	(87)	0	0	(166)	(952)
Interest on Bonds and Note	(15,512)	(17,575)	(12,821)	(14,792)	(16,223)
Miscellaneous Expense	(44)	0	0	0	0
Amortization on Bond Issuance Costs ²	0	(2,630)	(356)	(228)	(972)
Total Non-operating Revenues/(Expenses)	(12,453)	(16,912)	(9,627)	(13,515)	(138,633)
Change in Net Position Before Capital Contributions	32,141	30,835	37,323	27,521	(84,107)
Capital Contributions	3,108	9,930	46,786	31,505	(406)
Change in Net Position	35,249	40,765	84,109	59,026	84,513
Net Position – July 1²	510,273	469,508	385,399	326,373	410,886
Net Position – June 30	\$545,522	\$510,273	\$469,508	\$385,399	\$326,373

¹Beginning in fiscal year 2013 certain identified Renewal & Replacement costs were capitalized in the amount of \$3.3 million and \$1.8 million in fiscal year 2014.

²Fiscal year 2013 Net position restated per GASB 65 for FY13 balance of Deferred Bond Issue Costs of \$2,158. Per GASB 65, bond issuance costs should be expensed as incurred, except for prepaid insurance costs.

Project Descriptions

<u>Central Turnpike</u>	<u>Description</u>	<u>Estimated Cost (Millions)</u>	<u>Completion Date</u>
Project A1	Preliminary engineering and right-of-way acquisition for Exits 8 and 11, including ramp toll facilities (Merrimack/Nashua).	\$1.3	December 1989 ⁽¹⁾
Project A2	Construction of new interchange at Exit 8 to relieve traffic congestion at Interchange 7 (Nashua).	\$10.1	June 1988 ⁽¹⁾
Project. A3	Preliminary engineering and right-of-way acquisition for Exits 1 and 2 (Nashua).	\$26.2	June 2001 ⁽¹⁾
Project A4	Reconstruction of Exit 11 and construction of northbound “off” and southbound “on” ramp toll facilities (Merrimack).	\$11.0	July 1993 ⁽¹⁾
Project A5	Engineering, right-of-way acquisition, and construction of new mainline toll plaza (Bedford).	\$5.4	January 1989 ⁽¹⁾
Project A6	Engineering, right-of-way acquisition, and construction of a new interchange two miles south of Exit 11 (formerly Exit 8). Merrimack Industrial Park Interchange includes “off” and southbound “on” toll facilities (Merrimack).	\$22.4	October 1990 ⁽¹⁾
Project A7	Engineering, right-of-way acquisition and construction of Camp Sargent Road bypass. Project will interconnect Amherst Street in Nashua with the new interchange Project A6 (Merrimack).	\$8.2	December 1994 ⁽¹⁾
Project A8	Preliminary engineering and right-of-way acquisition for widening the Central Turnpike between Exits 3 and 7 (Nashua).	\$22.8	April 2002 ⁽¹⁾
Project A10	Engineering, right-of-way acquisition, and construction of a portion of the southern segment of the circumferential highway in Nashua.	\$42.3	July 2001 ⁽²⁾
Project A11	Engineering and right-of-way acquisition of the northern segment of the circumferential highway (Nashua/Hudson/Litchfield).	\$32.1	June 2005 ⁽¹⁾
Project A12	Reconstruction of Exits 1 and 2 and construction of connector to the circumferential highway (Nashua).	\$59.4	August 2002 ⁽¹⁾
Project A13	Widening and reconstruction of Central Turnpike between Exits 3 and 7 (Nashua).	\$84.7	May 2002 ⁽¹⁾
Project A14	Engineering, right-of-way acquisition, and construction of Bedford Road Interchange including toll facilities (Merrimack).	\$6.9	November 1990 ⁽¹⁾
Project A15	Reconstruction of the Exit 5 Granite St Bridge with two new ramps (Manchester).	\$22.8	June 2006 ⁽¹⁾
Project A16	Study of feasibility of widening Central Turnpike between I-89 Interchange and Interchange I-393 (Bow/Concord).	\$0.1	August 1992 ⁽¹⁾
Project A17	Construction of southbound only toll facilities of Central Turnpike and southbound on-ramp at Exit 1 (Nashua).	\$0.4	⁽³⁾
Project A18	Engineering, right-of-way, and construction of F.E. Everett bridge over the Souhegan River in Merrimack.	\$16.0	July 2011 ⁽¹⁾
Project A19	Engineering and construction of the roadway approaches including expansion of the Bedford toll plaza (Merrimack-Bedford).	\$7.4	December 2004 ⁽¹⁾

<u>Central Turnpike</u>	<u>Description</u>	<u>Estimated Cost (Millions)</u>	<u>Completion Date</u>
Project A20	Engineering, right-of-way acquisition, and construction of US Rte. 3 bridge over the F. E. Everett Turnpike in Bedford including widening from Merrimack to Bedford.	\$11.6	July 2013 ⁽¹⁾
Project A21	I-93 bridge re-decking for 4 bridges in Bow and Concord, and engineering for I-93 corridor widening	\$33.6	June 2016
Project A22	Rehabilitation of 5 bridges in the Manchester mill yard.	\$32.4	November 2016
Project A23	I-293 bridge rehabilitation over Black Brook between exit 6 and exit 7.	\$4.1	October 2025 ⁽⁸⁾
Project A24	Remove Merrimack Exit 12 Toll Plaza	\$0.5	December 2014 ⁽¹⁾
Project A25	Nashua to Bedford ITS deployment on F.E.E.T.	\$4.1	October 2016
Project A26	Engineering, Right-of-Way acquisitions and construction of F.E.E.T. widening of 3 locations from Nashua to Bedford	\$70.0	June 2024
Project A27	Engineering and Right-of-Way acquisitions for Exit 6 & Exit 7 Interchange Improvements in Manchester	\$11.0	June 2024
<u>Spaulding Turnpike</u>			
Project B1	Engineering, right-of-way acquisition and reconstruction of the Gosling Rd Interchange (Newington/Portsmouth).	\$13.4	November 1993 ⁽¹⁾
Project B2	Safety improvements on the Spaulding Turnpike to include median guardrail and safety improvements (Dover/Rochester).	\$6.6	June 2002 ⁽¹⁾
Project B3	Expansion of Dover Toll Plaza (Dover).	\$1.5	July 2000 ⁽⁴⁾
Project B4	Right-of-way acquisition in median of Spaulding Turnpike (Newington).	\$2.7	March 1993 ⁽¹⁾
Project B5	Engineering of by-pass around North Conway.	\$0.1	December 1990 ⁽¹⁾
Project B6	Dover/Somersworth Weeks traffic circle.	\$1.0	December 1994 ⁽¹⁾
Project B7	Engineering for design of Exit 10 on the Spaulding Turnpike (Dover).	\$4.1	June 2006 ⁽¹⁾
Project B8	Construction of Exit 10 on the Spaulding Turnpike (Dover).	--	Future Project ⁽⁵⁾
Project B9	Reconstruction and right-of-way acquisition for Exit 6W/US Rte. 4 (Scammell Bridge) (Dover).	\$13.0	November 1997 ⁽¹⁾
Project B10	Engineering, right-of-way acquisition, and construction of Exits 11 through 16 (Rochester).	\$127.6	May 2016 ⁽⁹⁾
Project B11	Engineering, right-of-way acquisition, and construction of the Turnpike ramps at Exit 4 associated with NH 16/US (Newington/Dover).	\$13.4	June 2006 ⁽¹⁾
Project B12	Engineering, right-of-way acquisition, and construction of Newington-Dover; Little Bay Bridge widening and Newington construction	\$162.6	September 2017
Project B13	Dover, General Sullivan Bridge Construction ⁽⁶⁾	\$84.3	August 2021
<u>Blue Star (Route I-95) Turnpike</u>			
	<u>Description</u>	<u>Estimated Cost (Millions)</u>	<u>Completion Date</u>
Project C1	Expansion of Hampton Toll Plaza (Hampton/North Hampton).	\$2.4	July 1991 ⁽¹⁾
Project C2	Engineering and Construction of roadway widening of the approaches to the Hampton main line toll plaza (Hampton).	\$2.5	June 2003 ⁽¹⁾
Project C3	Engineering and construction for the widening of the Hampton ramp toll plaza and approaches (Hampton).	\$7.1	June 2006 ⁽¹⁾

<u>Blue Star (Route I-95) Turnpike</u>		<u>Estimated Cost</u>	<u>Completion Date</u>
	<u>Description</u>	<u>(Millions)</u>	
Project C4	I-95, Replacement of the Taylor River Bridge on the Blue Star Highway and replacement or removal of the Taylor River Dam in Hampton at mile 3.6501	\$16.8	October 2019
Project C6	Repair and Improve bridge on Route 107 over I-95 in Seabrook	\$3.5	June 2014 ⁽¹⁾
Project C7	Construction of sound wall in Portsmouth	\$2.9	May 2013 ⁽¹⁾
<u>System Wide</u>		<u>Estimated Cost</u>	<u>Completion Date</u>
	<u>Description</u>	<u>(Millions)</u>	
Project D1	Administrative	\$37.1	on-going
Project D2	Consultant Studies.	\$0.8	on-going
Project D3	Electronic Toll Collection equipment including signs.	\$25.3	December 2005 ⁽¹⁾
Project D4	Intelligent Transportation deployment on the Blue Star and Spaulding Turnpikes.	\$2.3	on-going
Project D5	Construction of Open Road Tolling at the following locations:		
	a) Hampton	\$16.8	June 2011 ⁽¹⁾
	b) Hooksett	\$22.5	October 2013 ⁽¹⁾
	c) Bedford ⁽⁶⁾	\$9.0	May 2018
	d) Dover	\$12.4	October 2021
	e) Rochester	\$14.0	October 2022
Total		\$1,152.5⁽⁷⁾	

(1) Actual completion date.

(2) The segment between Route 3A and the Central Turnpike is complete; the portion from Route 3A to Route 111 has been deferred.

(3) The Legislative authority to build the Nashua toll facilities was repealed in Fiscal Year 2001.

(4) Removed from the State's 10-year Highway Improvement Plan.

(5) The project has been placed "on hold" until further notice.

(6) Projects funded under the current toll structure.

(7) Numbers may not add due to rounding.

(8) Project delayed pending completion of engineering study for exits 6 and 7 in Manchester.

(9) Spaulding Turnpike construction was completed in June 2013. One remaining contract to construct the Rochester maintenance facility is scheduled to be completed in May 2016.

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**CAPITAL IMPROVEMENT PROGRAM EXPENDITURES
FISCAL YEARS 1986 THROUGH 2016**

Set forth below is a table of Capital Improvement Program expenditures on an unaudited cash basis for fiscal years 1986 through 2009, on a GAAP basis for fiscal years 2010 through 2014, and on a forecasted basis for fiscal years 2015 and 2016. The timing and amounts of forecasted capital expenditures are subject to change.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Capital</u> <u>Expenditures</u>
1986	\$ 3,703,014
1987	12,846,330
1988	15,092,609
1989	34,183,782
1990	31,457,483
1991	25,308,194
1992	29,988,101
1993	33,941,502
1994	30,665,402
1995	40,452,057
1996	29,198,433
1997	24,917,835
1998	26,260,770
1999	30,544,034
2000	19,719,168
2001	10,148,747
2002	6,469,689
2003	10,242,505
2004	19,437,590
2005	20,503,930
2006	13,176,569
2007	8,514,987
2008	9,159,186
2009	23,250,730
2010	66,088,919
2011	51,613,827
2012	59,322,096*
2013	77,656,689
2014	<u>52,836,197</u>
Actual	816,700,375
2015	41,810,000**
2016	<u>39,850,000**</u>
Estimated	<u>81,660,000</u>
Total	\$ <u>898,360,375</u>

* The Annual Report with Respect to Turnpike System Revenue Bonds dated February 22, 2013 reported \$59,142,096, which was understated by \$180,000.

** Estimate, from Turnpike System Priority Capital Improvement Program (Status Report –January, 2015).

**Composition of Nonagricultural Employment in
New Hampshire and the United States**

	<u>New Hampshire</u>		<u>United States</u>	
	<u>2003</u>	<u>2013</u>	<u>2003</u>	<u>2013</u>
Manufacturing	13.0%	10.3%	11.1%	8.8%
Durable Goods	9.7	7.8	6.9	5.5
Nondurable Goods	3.3	2.5	4.2	3.3
Nonmanufacturing	87.0	89.7	88.9	91.2
Construction & Mining	4.8	3.6	5.6	4.9
Wholesale and Retail Trade	19.8	19.0	15.7	15.3
Service Industries	39.2	45.1	41.1	45.5
Government	14.6	14.1	16.6	16.0
Finance, Insurance & Real Estate	6.0	5.5	6.2	5.8
Transportation & Public Utilities	2.6	2.4	3.7	3.7

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Largest Employers

The following table lists the twenty largest private employers in the State and their approximate number of employees as of January 2014, the most recent date for which such information is available.

**Largest Employers
(Excluding Federal, State and Local Governments)**

<u>Company</u>	<u>Employees</u>	<u>Primary New Hampshire Site</u>	<u>Principal Product</u>
1. DeMoulas & Market Basket	9,000	Nashua	Supermarkets
2. Wal-Mart Stores, Inc.	7,896	Bedford	Retail Department Stores
3. Dartmouth-Hitchcock	6,404	Lebanon	Acute Care Hospital
4. Fidelity Investments	5,400	Merrimack	Financial Services
5. Hannaford Brothers	4,900	Manchester	Supermarkets
6. Liberty Mutual- Northern N.E. Division	4,700	Bedford	Financial Services
7. BAE Systems Electronic Systems	4,500	Nashua	Communications
8. Elliot Hospital	4,000	Manchester	Acute Care Hospital
9. Concord Hospital	3,346	Concord	Acute Care Hospital
10. Dartmouth College	3,328	Hanover	Private College
11. Genesis HealthCare	3,000	Concord	Long-Term Healthcare Providers
12. Shaw's Supermarkets Inc.	2,900	Stratham	Supermarkets
13. Home Depot	2,571	Manchester	Hardware Store
14. Wentworth-Douglass Hospital	2,350	Dover	Acute Care Hospital
15. Southern New Hampshire Medical Center	2,269	Nashua	Healthcare Providers
16. Catholic Medical Center	2,100	Manchester	Healthcare Providers
17. Lowe's	1,751	Bedford	Hardware Store
18. New Hampshire Motor Speedway	1,500	Loudon	Motorsports Facility
19. Target Stores	1,464	Nashua	Retail Department Stores
20. Public Service Company of New Hampshire	1,417	Manchester	Electric Utility

Source: *New Hampshire Business Review*, Book of Lists 2014.

**STATE OF NEW HAMPSHIRE
SCHEDULE OF DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Population (in thousands)	1,325	1,323	1,321	1,318	1,316	1,316	1,316	1,313	1,308	1,298
% Change	0.2%	0.2%	0.2%	0.2%	0.0%	0.0%	0.2%	0.4%	0.8%	0.6%
Total Personal Income (in millions)*	\$69,499	\$66,379	\$62,150	\$60,480	\$57,898	\$55,827	\$58,162	\$56,418	\$53,765	\$50,028
% Change	4.7%	6.8%	2.8%	4.5%	3.7%	-4.0%	3.1%	4.9%	7.5%	2.8%
Per Capita Personal Income*	\$52,413	\$50,156	\$47,058	\$45,881	\$43,968	\$42,418	\$44,199	\$42,984	\$41,092	\$38,528
% Change	4.5%	6.6%	2.6%	4.4%	3.7%	-4.0%	2.8%	4.6%	6.7%	2.1%
Unemployment Rate**	4.4%	5.1%	5.1%	4.9%	5.9%	6.8%	4.0%	4.0%	3.3%	3.5%

Source: US Department of Commerce, Bureau of Census

*NH Department of Employment Security, Economic and Labor Market Information Bureau, NH Vital Signs -

**NH Department of Employment Security, Economic and Labor Market Information Bureau, Economic Conditions Seasonally Adjusted June Estimated -September Issue

**STATE OF NEW HAMPSHIRE
SCHEDULE OF BUILDING PERMITS FOR HOUSING UNITS
LAST TEN YEARS**

Building Permits Issued by Number of Units

Calendar Year	Single Family	Multi- Family	Total
2014 YTD 10/14	1,875	1,120	2,995
2013	2,136	652	2,788
2012	1,682	614	2,296
2011	1,606	740	2,346
2010	1,890	780	2,670
2009	1,662	625	2,287
2008	2,333	901	3,234
2007	3,772	789	4,561
2006	4,826	851	5,677
2005	6,432	1,154	7,586

Source: U.S. Department of Commerce, Bureau of the Census.
2014 data is through September 2014.

SCHEDULE OF DEBT SERVICE COVERAGE RATIO

For the Fiscal Years 2014 - 1996

(Amounts in thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses	(A) Net Revenue Available for Service	(B) Revenue Bond Debt Service Requirements	(A / B) Revenue Bond Coverage Ratio	(C) G.O. Bond Debt Service Requirements	(D) Renewal & Replacement	(B+C+D) Total	(A / (B+C+D)) All Obligations Coverage Ratio
2014	\$119,373	\$42,469	\$ 76,904	\$ 36,031	2.13	\$ -	\$ 10,000	\$ 46,031	1.67
2013	\$118,027	\$42,213	\$ 75,814	\$ 36,950	2.05	\$ -	\$ 9,800	\$ 46,750	1.62
2012	\$118,856	\$40,653	\$ 78,203	\$ 33,328	2.35	\$ -	\$ 9,200	\$ 42,528	1.84
2011	\$119,314	\$42,339	\$ 76,975	\$ 33,745	2.28	\$ 599	\$ 9,800	\$ 44,144	1.74
2010	\$119,407	\$40,171	\$ 79,236	\$ 29,656	2.67	\$ 669	\$ 9,600	\$ 39,925	1.98
2009	\$107,660	\$40,361	\$ 67,299	\$ 25,873	2.6	\$ 1,597	\$ 10,040	\$ 37,510	1.79
2008	\$106,814	\$37,122	\$ 69,692	\$ 25,710	2.71	\$ 1,713	\$ 8,300	\$ 35,723	1.95
2007	\$ 89,054	\$36,158	\$ 52,896	\$ 28,078	1.88	\$ 2,985	\$ 6,047	\$ 37,110	1.43
2006	\$ 83,054	\$41,784	\$ 41,270	\$ 25,831	1.6	\$ 4,219	\$ 5,871	\$ 35,921	1.15
2005	\$ 68,318	\$30,041	\$ 38,277	\$ 27,003	1.42	\$ 4,246	\$ 5,700	\$ 36,949	1.04
2004	\$ 66,463	\$26,568	\$ 39,895	\$ 23,865	1.67	\$ 4,842	\$ 5,600	\$ 34,307	1.16
2003	\$ 67,086	\$24,505	\$ 42,581	\$ 24,749	1.72	\$ 5,183	\$ 5,700	\$ 35,632	1.2
2002	\$ 66,218	\$23,877	\$ 42,341	\$ 26,452	1.6	\$ 5,415	\$ 5,365	\$ 37,232	1.14
2001	\$ 63,981	\$21,352	\$ 42,629	\$ 25,352	1.68	\$ 5,696	\$ 5,431	\$ 36,479	1.17
2000	\$ 63,034	\$22,064	\$ 40,970	\$ 26,452	1.55	\$ 5,973	\$ 5,308	\$ 37,733	1.09
1999	\$ 59,257	\$18,794	\$ 40,463	\$ 22,286	1.82	\$ 6,304	\$ 4,119	\$ 32,709	1.24
1998	\$ 58,033	\$16,352	\$ 41,681	\$ 21,678	1.92	\$ 6,519	\$ 3,990	\$ 32,187	1.29
1997	\$ 55,714	\$17,231	\$ 38,483	\$ 21,597	1.78	\$ 6,747	\$ 3,000	\$ 31,344	1.23
1996	\$ 53,231	\$17,024	\$ 36,207	\$ 21,595	1.68	\$ 6,975	\$ 3,000	\$ 31,570	1.15

1. Fiscal years 2006 through 2014 calculations of Direct Operating Expenses deduct the entire amount of current year depreciation expense (Turnpikes, Federal, & Highway match portions). Prior year calculations reflect the historical practice of deducting only the Turnpikes portion of depreciation expense.

2. Beginning in fiscal year 2009, debt service requirement consists of total payments to the Debt Service Account as required by the bond resolution. Debt service requirement calculations in the previous fiscal years consisted of the actual principal and interest paid over the fiscal year.

3. Unaudited toll covenant calculations indicate adequate toll revenues for fiscal year 2014. The revenue bond coverage ratio was satisfied at 2.13 for the 1.2 times test. The all obligations coverage ratio was satisfied at 1.67 for the 1.0 times test, as calculated by the Department. Chapter 144, Laws of 2009 authorized the acquisition and transfer of a bridge and 1.6 mile section of I-95 to the Turnpike System for \$120 million. The Turnpike System continues to make payments, and in fiscal year 2014, made a note payment of \$15 million to the State Highway Fund. Because the Turnpike System unrestricted cash balance at June 30, 2014 was \$58.5 million, this balance beginning in fiscal year 2015 was deemed more than sufficient to satisfy the Note Payable to the State Highway Fund and fiscal year 2014 revenues for this payment were not needed. Accordingly, the Note Payable to State Highway Fund was not included in the all obligations ratio for fiscal years 2011 through 2014.

4. Gross Revenues less Federal revenue of \$1.3 million.

ANNUAL TRAFFIC AND TOLL REVENUE TRENDS
New Hampshire Turnpike System
For the Years Ended June 30

The table below shows annual toll transaction and revenue trends for the Turnpike System during the period beginning with fiscal year 2014 and ending with fiscal year 1998.

Fiscal Year	Annual Toll Transactions	Percent Change from Prior Year	Annual Toll Revenues*	Percent Change from Prior Year
2014 ⁺	111,481,963	2.99%	\$117,516,000	1.69%
2013 ⁺	108,243,082	-0.44%	\$115,562,000	-1.10%
2012 ⁺	108,718,537	0.00%	\$116,844,000	0.16%
2011 ⁺	108,723,856	0.36%	\$116,659,180	0.54%
2010 ⁺	108,336,576	0.63%	\$116,036,026	11.67%
2009 ⁺	107,653,154	-4.90%	\$103,907,003	3.40%
2008 ⁺	113,186,722	-2.00%	\$100,406,992	22.20%
2007 ⁺	115,457,650	0.80%	\$82,175,322	7.20%
2006 ⁺	114,562,787	4.10%	\$76,633,131	16.20%
2005 [#]	110,040,272	-0.50%	\$65,956,309	0.30%
2004 [#]	110,573,506	0.50%	\$65,780,607	2.20%
2003	109,978,691	2.10%	\$64,367,301	0.00%
2002	107,729,932	4.00%	\$64,371,208	4.60%
2001	103,583,561	4.20%	\$61,536,675	2.30%
2000	99,363,028	5.70%	\$60,166,815	5.40%
1999	94,017,638	5.70%	\$57,080,882	5.10%
1998	88,987,246	4.70%	\$54,298,452	4.10%

* Excludes charge account interest and miscellaneous income.

+Toll Revenue amounts used FY06 through FY14 agree to the Annual Financial Reports.
Cash basis revenue was used in prior years.

[#] Hampton toll plaza: One-way tolls September-October 2003 and July-October 2004.